


# CITY OF GRAND RAPIDS ADMINISTRATIVE POLICY

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| NUMBER: 81-01           | DATE: 2/18/81  |
| REVISIONS: 5/19/09      |  |
| ISSUED BY: City Manager | SIGNED:  |

**SUBJECT: PROPERTY ACQUISITION AND SALE**

**PURPOSE:** From time to time it is necessary for the City, its agencies, authorities, boards, or commissions to either acquire additional real property interests or to divest themselves of real property interests. Generally, each department, agency, authority, board, or commission has handled its own real property transactions. It has become desirable to consolidate these activities in order to simplify administrative procedures and to achieve a better inventory of land holdings.

**POLICY:**

I. Scope of Responsibility

1. The Economic Development Office will be responsible for the acquisition or sale of all real property interests except those properties associated with rights-of-way, easements for public infrastructure, or encroachments into public rights-of-way, and real properties that come into City possession as a result of a Community Development program. Community Development may use Economic Development Office's services for disposal of property as deemed necessary consistent with this policy.
2. The City Engineer's Office will be responsible for acquiring, rights-of-way, easements, and encroachments in connection with public infrastructure.
3. Any real property transaction involving rights-of-way, easements for public infrastructure, or encroachments into public rights-of-way will be handled by the City Engineer's Office in cooperation with the Economic Development Office, when additional real property in excess of the needs for rights-of-way, easements for public infrastructure, or encroachments into public rights-of-way may be involved in the transaction.

## II. Procedure

1. Any department, agency, authority, board, or commission having the need to acquire or dispose of real property interests, will submit a request to the Economic Development Office. The request will include the location of the real property; available financial resources, including restrictions and account numbers to which expenses can be charged or revenues deposited; a desired date for the completion of the transaction; the purpose of the transaction; and other such information as the Economic Development Office might need to carry out its responsibilities. Any requests which involve the sale or acquisition of real property shall have the approval of the City Manager before being submitted.
2. The cost of acquisition and incidental expenses such as title searches, appraisals, administration, legal fees, and closing costs will be borne by the requesting department, agency, authority, board, or commission.
3. In acquiring or disposing of real property interests, rights-of-way, easements, or encroachments, the Economic Development Office or the City Engineer will obtain the necessary approvals from other City departments, agencies, authorities, boards or commissions.
4. All departments will notify the Economic Development Office of real property interests that it acquires or disposes of at the time the transaction occurs in order for the Economic Development Office to maintain an accurate inventory of real property holdings.

## III. Cost of Service

1. The Economic Development Office shall charge an acquisition or leasing fee, payable by the acquiring department, agency, authority, board, or commission.
  - a. if the property acquired is already listed for sale or lease through a licensed real estate broker licensed to do business in the State of Michigan the charge will be equal to the cooperating broker fee paid by the listing broker.
  - b. If the property is not listed for sale or lease through a Real Estate Broker licensed by the State of Michigan, a charge of 3½% of the purchase price or lease rate shall be paid by the requesting department to the Economic Development office at the time of closing.
2. The Economic Development office shall charge a disposal fee when a department, agency, authority, board or commission is selling or leasing property, payable by the requesting department, agency, authority, board or commission, of 3½% of the property's sales price for selling property.
3. In the event a sale or lease of real property is facilitated by the Economic Development Office utilizing the method of listing the property for sale through a real estate board, a commission will be paid to a cooperating licensed broker in conformance with City Commission Policy 900-06 or as negotiated lower by the Economic Development Office.

4. Fees shall be earned and payable when a closing occurs or a lease is executed and property rights are transferred and monies exchanged. Fees earned shall be deposited in the Economic Development Office's Property Management Fund.

IV. Exempts Employees

City employees of the City of Grand Rapids may not receive any outside compensation beyond their normal employment salary and associated employee benefits for facilitating a real estate transaction involving the sale, acquisition, or lease of City property.

V. Price and Terms of Sale

Sales/purchase/lease price and terms shall be established by the appropriate City of Grand Rapids agency, authority, board, commission, or department having responsibility for the management or disposal of a specific property being offered for sale, lease, or needing to be acquired.

VI. Existing Policies

This policy supplements existing policies concerning the acquisition and disposal of real property interests by the City and its agencies, authorities, boards, or commissions.

VII. Waive Policy

The City Manager may waive this policy or portions thereof as the City Manager deems necessary.